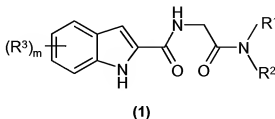


Amendments to the Claims:

This listing of claims will replace all prior versions, and listings, of claims in the application:

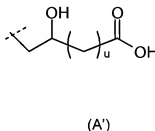
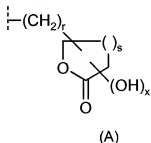
Listing of Claims:

1. (currently amended) A compound of formula (1):



wherein

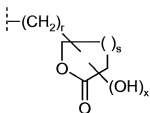
R¹ is independently selected from C₁₋₆alkyl, C₅₋₇cycloalkyl, C₅₋₇cycloalkylC₁₋₃alkyl, C₁₋₆alkoxy, C₅₋₇cycloalkoxy, C₅₋₇cycloalkylC₁₋₃alkoxy, heterocyclyl, heterocyclylC₁₋₃alkyl, heterocyclyloxy or heterocyclylC₁₋₃alkoxy (wherein each of these groups is substituted on carbon with 1, 2, or 3 hydroxy groups, provided that there is no more than one hydroxy group on the same carbon atom and a ring carbon atom adjacent to a ring heteroatom is not substituted by a hydroxy group), and groups of the formula A or A'



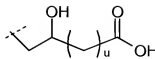
wherein x is 0 or 1, r is 0, 1, 2, or 3, s is 1 or 2 and u is 1 or 2;

provided that in (A) the hydroxy group is not a substituent on the ring carbon adjacent to the ring oxygen;

R² is phenyl or heteroaryl (each of which is optionally substituted with 1 or 2 substituents independently selected from halo, cyano, trifluoromethyl, difluoromethyl, fluoromethyl, C₁₋₃alkoxy, C₁₋₃alkanoyl, carbamoyl, *N*-C₁₋₃alkylcarbamoyl, *N,N*-di-C₁₋₃alkylcarbamoyl, sulfamoyl, *N*-C₁₋₃alkylsulfamoyl, *N,N*-di-C₁₋₃alkylsulfamoyl, and groups of the formulae B and B')



(B)



(B')

wherein x is 0 or 1, r is 0, 1, 2, or 3, s is 1 or 2 and u is 1 or 2;

provided that the hydroxy group is not a substituent on the ring carbon adjacent to the ring oxygen);

m is 0, 1, or 2; and

R³ is independently selected from hydrogen or halo, hydrogen, halo, nitro, cyano, hydroxy, carboxy, carbamoyl, C₁₋₄alkyl, C₂₋₄alkenyl, C₂₋₄alkynyl, C₁₋₄alkoxy, C₁₋₄alkanoyl, fluoromethyl, difluoromethyl, trifluoromethyl, and trifluoromethoxy;

provided that when R¹ is of the formula A or A', then R² does not contain a group of the formula B or B'; and when R² is of the formula B or B', then R¹ does not contain a group of the formula A or A';

or a pharmaceutically acceptable salt or prodrug thereof.

2. (previously presented) A compound of claim 1, wherein:

R¹ is selected from C₁₋₆alkyl, C₅₋₇cycloalkyl, C₅₋₇cycloalkylmethyl, C₁₋₆alkoxy, C₅₋₇cycloalkoxy, C₅₋₇cycloalkylC₁₋₃methoxy, heterocyclyl, heterocyclylmethyl, heterocycliloxy and heterocyclylmethoxy (wherein each of these groups is substituted with 1 or 2 hydroxy groups provided that there is no more than one hydroxy group on the same carbon atom), or R¹ is of the formula A or A';

R² is a phenyl or heteroaryl group (each of which is optionally substituted with 1 or 2 substituents independently selected from halo, cyano, trifluoromethyl, carbamoyl, N-C₁₋₃alkylcarbamoyl, N,N-di-C₁₋₃alkylcarbamoyl, sulfamoyl, N-C₁₋₃alkylsulfamoyl, N,N-di-C₁₋₃alkylsulfamoyl, a group of the formula B, and a group of the formula B');

or a pharmaceutically acceptable salt or in-vivo hydrolysable ester thereof.

3. (previously presented) A compound of claim 1, wherein:

R¹ is selected from C₁₋₆alkyl, C₅₋₇cycloalkyl, C₅₋₇cycloalkylmethyl, C₁₋₆alkoxy, C₅₋₇cycloalkoxy, and C₅₋₇cycloalkylC₁₋₃methoxy, wherein each group is substituted with 1 or 2 hydroxy groups provided that there is no more than one hydroxy group on the same carbon atom;

R² is a phenyl or heteroaryl group (each of which is optionally substituted with 1 or 2 substituents independently selected from halo, cyano, trifluoromethyl, carbamoyl, N-C₁₋₃alkylcarbamoyl, N,N-di-C₁₋₃alkylcarbamoyl, sulfamoyl, N-C₁₋₃alkylsulfamoyl, and N,N-di-C₁₋₃alkylsulfamoyl); or a pharmaceutically acceptable salt or in-vivo hydrolysable ester thereof.

4. (previously presented) A compound of claim 1, wherein:

R¹ is selected from ethyl, propyl, cyclopentyl, cyclohexyl, cyclopentylmethyl, and cyclohexylmethyl, wherein each group is substituted with 1 or 2 hydroxy groups provided that there is no more than one hydroxy group on the same carbon atom;

R² is selected from phenyl, pyridyl, oxadiazolyl, oxazolyl, thiazolyl, and thienyl, each of which is optionally substituted with 1 or 2 substituents independently selected from halo, cyano, trifluoromethyl, carbamoyl, N-C₁₋₃alkylcarbamoyl, sulfamoyl, and N-C₁₋₃alkylsulfamoyl;

m is 1; and

R³ is chloro;

or a pharmaceutically acceptable salt or in-vivo hydrolysable ester thereof.

5. (previously presented) A compound of claim 1, wherein:

R¹ is selected from 2-hydroxyethyl, 2,3-dihydroxypropyl, 3,4-dihydroxycyclopentyl, and 3,4-dihydroxycyclopentylmethyl;

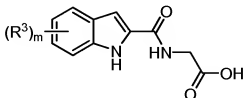
R² is phenyl optionally substituted with 1 or 2 substituents independently selected from halo, cyano, trifluoromethyl, carbamoyl, N-C₁₋₃alkylcarbamoyl, sulfamoyl, and N-C₁₋₃alkylsulfamoyl; m is 1 or 2; and

R³ is hydrogen or halo;

or a pharmaceutically acceptable salt or in-vivo hydrolysable ester thereof.

6. (previously presented) A process for preparing a compound of claim 1 or a pharmaceutically acceptable salt or an in-vivo hydrolysable ester thereof, which process comprises:

a) reacting an acid of the formula (2)



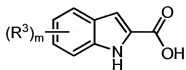
(2)

or an activated derivative thereof; with an amine of formula (3)



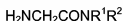
(3); or

b) reacting an acid of the formula (4)



(4)

or an activated derivative thereof; with an amine of formula (5)



(5)

wherein any functional groups are optionally protected;

and thereafter if necessary

- i) converting a compound of the formula (1) into another compound of the formula (1);
- ii) removing any protecting groups; or
- iii) forming a pharmaceutically acceptable salt or in-vivo hydrolysable ester.

7. (previously presented) A pharmaceutical composition comprising a compound of claim 1, or a pharmaceutically acceptable salt or in-vivo hydrolysable ester thereof and a pharmaceutically acceptable diluent or carrier.

8-11. (canceled)

12. (previously presented) A method of treating type 2 diabetes, insulin resistance, syndrome X, hyperinsulinaemia, hyperglucagonaemia, cardiac ischaemia, or obesity in a warm-blooded animal in need of such treatment, comprising administering to said animal an effective amount of a compound of claim 1.

13. (previously presented) A method of treating type 2 diabetes in a warm-blooded animal in need of such treatment, comprising administering to said animal an effective amount of a compound claim 1.